



SACHI A. HAMAI
Interim Chief Executive Officer

County of Los Angeles
CHIEF EXECUTIVE OFFICE

Kenneth Hahn Hall of Administration
500 West Temple Street, Room 713, Los Angeles, California 90012
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"To Enrich Lives Through Effective And Caring Service"

Board of Supervisors
HILDA L. SOLIS
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Fifth District

February 17, 2015


The Honorable Board of Supervisors
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, California 90012

Dear Supervisors:

ADOPTED

BOARD OF SUPERVISORS
COUNTY OF LOS ANGELES

10 February 17, 2015


PATRICK OGAWA
ACTING EXECUTIVE OFFICER

**LEASE AMENDMENT
DEPARTMENT OF MENTAL HEALTH
5000 WEST SUNSET BOULEVARD, LOS ANGELES
(THIRD DISTRICT)
(3 VOTES)**

SUBJECT

A seven-year lease amendment for 6,921 square feet of office space and 28 on-site parking spaces for the Department of Mental Health to provide continued use of the existing facility.

IT IS RECOMMENDED THAT THE BOARD:

1. Find that the proposed lease amendment is categorically exempt from the provisions of the California Environmental Quality Act pursuant to Class 1 of the Environmental Document Reporting Procedures and Guidelines adopted by the Board, per Section 15301 of the State of California Environmental Quality Act Guidelines (Existing Facilities).

2. Approve and instruct the Mayor to sign the first seven-year amendment to the lease agreement with 5000 Sunset, LLC (Landlord) for the Department of Mental Health for 1,333 additional square feet of office space and 4 on-site parking spaces in addition to the currently occupied 5,588 square feet of office space and 24 on-site parking spaces at 5000 West Sunset Boulevard, Los Angeles, for a new total of 6,921 square feet and 28 on-site parking spaces at an initial maximum annual rental cost of \$405,881. The lease costs are 100 percent funded by State and federal revenue.

3. Authorize the Internal Services Department, or the Landlord, at the direction of the Chief Executive Office, to acquire and install telephone, data, and low voltage systems at a cost not to exceed \$125,000.
4. Authorize the Interim Chief Executive Officer, the Directors of Mental Health and Internal Services to implement the project. The lease amendment will be effective upon approval by the Board of Supervisors, and the new term will commence upon completion of the tenant improvements by the Lessor and acceptance by the County.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

Under the State Proposition – Mental Health Services Act (MHSA), the Department of Mental Health (DMH) was mandated to formulate a plan for the expeditious implementation of various mental health services across the County.

In October 2006, the Board of Supervisors approved the acquisition, development, and implementation of 14 directly operated Wellness Center (WC) programs to be located in strategic areas throughout the County as part of DMH's overall transformation from clinical services to a Recovery Model of community-based, client and family driven, recovery oriented services and support systems. The WCs are designed to offer options to clients who no longer need the intensive services offered by the Full Service Partnership (FSP) programs or traditional adult outpatient services, and who are ready to take increasing responsibility for their own wellness and recovery.

The proposed lease amendment will continue to provide DMH with a satellite office for the WC programs to augment services currently provided at the Mental Health facility at 1124 North Vine Street, Hollywood, located approximately two miles from the facility.

In addition to furthering the goals of MHSA, the recommended actions are intended to fill gaps in the service delivery system by serving clients that are in advanced stages of recovery, thus offering a potentially cost-effective alternative to ongoing maintenance visits at outpatient clinics. Development of the WCs will enhance DMH's ability to concentrate the majority of its outpatient resources on meeting the needs of the underserved population and providing intensive services to those in need of that level of care. The ultimate goal of the WCs is to reduce reliance on the mental health system by building a sustaining network of community-based support systems for clients no longer requiring more traditional care. By allowing for the continuation of the satellite office as proposed, DMH will be able to provide enhanced services in a more expeditious manner to its target population.

The proposed lease amendment will provide continued occupancy of the facility with the uninterrupted delivery of services to the affected constituency within the vicinity of the surrounding Service Planning Area 4. The facility houses 22 staff positions and provides services to approximately 300 clients.

Parking is provided in the facility parking lot with sufficient appurtenant parking available nearby. The facility is in proximity to local public transportation routes.

Implementation of Strategic Plan Goals

The Countywide Strategic Plan Goal of Integrated Services Delivery (Goal 3) directs that we maximize opportunities to measurably improve client and community outcomes and leverage resources through the continuous integration of health, community, and public safety services. The proposed lease amendment supports this goal by providing an office in or near the community it serves to increase effectiveness, enhance customer service, and provide responsive services to the public. The lease amendment is in conformance with the Asset Management Principles as outlined in Attachment A.

FISCAL IMPACT/FINANCING

The proposed lease amendment will provide the County the enhanced use of 6,921 square feet of office space and 28 on-site parking spaces at a monthly base rent of \$24,915.60 per month, or \$298,984.80 annually, i.e., \$3.60 per square foot per month on a full-service gross basis. The base rental rate reduction of \$0.34/\$4.07 per square foot monthly/annually from the existing rent will represent potential savings of approximately \$159,256 over the term of the lease amendment for the existing leased space. In addition, a Tenant Improvement (TI) allowance of \$103,815, included in the base rent and an additional TI allowance of \$449,865 is available for improvement of the existing and expansion office space. The annual reimbursable payments may amount to \$106,894 if all the additional TI allowance is expended and amortized over five years at 7 percent interest. Attachment B is an overview of the changes in the lease.

This is a full-service gross lease whereby the Lessor is responsible for all operating costs associated with the County's occupancy. The rent is subject to Consumer Price Index (CPI) increases capped at 3 percent in lieu of the previous annual fixed increases of 3 percent. Parking is available in the building and included in the rent.

Sufficient funding for the proposed lease costs is included in the Fiscal Year (FY) 2014-15 Rent Expense budget and will be billed back to DMH. DMH has sufficient funding in its FY 2014-15 operating budget to cover the projected lease costs.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

The proposed lease amendment will provide continued use of 6,921 square feet of office space and 28 on-site parking spaces, and contains the following provisions:

- Commencement of new rent and seven-year term upon approval by the Board of Supervisors.
- A full-service gross basis with the Lessor responsible for all operational and maintenance costs.
- A TI allowance of \$103,815, or \$15 per square foot, included in the base rental rate for improvement of the premises.
- A reimbursable additional TI of \$449,865, or \$65 per square foot, which may be paid in lump sum or amortized over five years of the extended term at an annual interest rate of 7 percent.
- A cancellation provision allowing the County to cancel any time after five years of the extended lease term with 60 days prior written notice.

- Annual rental rate adjustments based upon CPI with a maximum increase of 3 percent per annum and no floor.

The Chief Executive Office (CEO), Real Estate Division staff conducted a survey within the search area to determine the availability of comparable and more economical sites. Staff was unable to identify any sites in the surveyed area that could accommodate this requirement more economically, nor are there any County-owned or leased facilities available for this program. Based upon said survey, staff has established that the rental range for similar space is between \$28.20 and \$54 per square foot per year on a full-service gross basis, excluding parking. Thus, the base annual rent of \$43.20 per square foot per year on a full-service gross basis, including parking, for the proposed lease amendment represents a rate within the market range for the greater Hollywood area. There is a scarcity of suitable office space in this market area and the proposed space is within the preferred three mile radius of the Vine Street facility. Attachment C shows County-owned or leased facilities in the proximity of the service area and there are no suitable County-owned or leased facilities available for the program.

The proposed lease amendment will provide a central and appropriate location, which is consistent with the County's Facility Location Policy adopted by the Board of Supervisors on July 24, 2012, as outlined in Attachment D.

The Department of Public Works has inspected this facility and found it suitable for the County's occupancy. Notification letters have been sent pursuant to Government Code Sections 25351 and 65402.

ENVIRONMENTAL DOCUMENTATION

The CEO has concluded that this project is exempt from the California Environmental Quality Act (CEQA) as specified in Class 1 of the Environmental Document Reporting Procedures and Guidelines adopted by the Board of Supervisors, and Section 15301 of the State CEQA Guidelines (Existing Facilities).

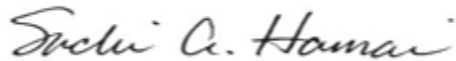
IMPACT ON CURRENT SERVICES (OR PROJECTS)

The proposed lease amendment will adequately provide the necessary office space for this County requirement. DMH concurs with the proposed recommendation.

CONCLUSION

It is requested that the Executive Office, Board of Supervisors, return five originals of the executed lease amendment, two certified copies of the Minute Order, and the adopted, stamped Board letter to the CEO, Real Estate Division at 222 South Hill Street, 4th Floor, Los Angeles, CA 90012 for further processing.

Respectfully submitted,

A handwritten signature in cursive script, reading "Sachin A. Hamai".

SACHI A. HAMAI

Interim Chief Executive Officer

SAH:TT:CMM:CEM

TS:NCH:gw

Enclosures

c: Executive Office, Board of Supervisors
County Counsel
Auditor-Controller
Internal Services
Mental Health

DEPARTMENT OF MENTAL HEALTH
5000 WEST SUNSET BOULEVARD, LOS ANGELES
Asset Management Principles Compliance Form¹

1.	<u>Occupancy</u>	Yes	No	N/A
A	Does lease consolidate administrative functions? ²			X
B	Does lease co-locate with other functions to better serve clients? ² Satellite office near 1124 N. Vine Street, Hollywood (Hollywood Mental Health Center)		X	
C	Does this lease centralize business support functions? ²			X
D	Does this lease meet the guideline of 200 sq. ft of space per person? ² Ratio is approximately 247 square feet per person allowing for conference and other related interview rooms.		X	
E	Does lease meet the 4/1000 sq. ft. parking ratio guideline? ² 28	X		
F	Does public parking and mass-transit exist to facilitate employee, client and visitor access to the proposed lease location? ²	X		
2.	<u>Capital</u>			
A	Is it a substantial net County cost (NCC) program?		X	
B	Is this a long term County program?	X		
C	If yes to 2 A or B; is it a capital lease or an operating lease with an option to buy?		X	
D	If no, are there any suitable County-owned facilities available?		X	
E	If yes, why is lease being recommended over occupancy in County-owned space?			X
F	Is Building Description Report attached as Attachment C?	X		
G	Was build-to-suit or capital project considered? The County already occupies the facility and adjacent space for expansion is available.		X	
3.	<u>Portfolio Management</u>			
A	Did department utilize CEO Space Request Evaluation (SRE)?	X		
B	Was the space need justified?	X		
C	If a renewal lease, was co-location with other County departments considered?		X	
D	Why was this program not co-located?			X
	1. ___ The program clientele requires a "stand alone" facility.			
	2. X No suitable County occupied properties in project area.			
	3. ___ No County-owned facilities available for the project.			
	4. ___ Could not get City clearance or approval.			
	5. ___ The Program is being co-located.			
E	Is lease a full service lease? ²	X		
F	Has growth projection been considered in space request?	X		
G	Has the Dept. of Public Works completed seismic review/approval?	X		
¹ As approved by the Board of Supervisors 11/17/98				
² If not, why not?				

FISCAL IMPACT / FINANCING OVERVIEW OF LEASE CHANGES

5000 W. Sunset Blvd., Hollywood	Existing Lease	Proposed Lease/ First Amendment	Change
Area (square feet)	5,588	6,921	+1,333 sq. ft.
Term	(06/01/2008-05/31/2013) currently on month-to-month holdover	Seven years upon Board adoption	+7 years
Annual Rent	\$264,200 (\$47.28/sq.ft.)	\$241,401* (\$43.20/sq.ft.)	- \$22,750* (\$4.07/sq.ft.)
Base TI Allowance (non-reimbursable)	\$83,820 (\$15.00/sq.ft.)	\$103,815 (\$15.00/sq.ft.)	+\$19,995 (\$2.89/sq.ft.)
Add'l TI Allowance	\$363,220 (\$65/sq.ft.)	\$449,865** (\$65/sq.ft.)	+\$86,645** (\$65/sq.ft.)
Max Annual Rent	\$337,630 (\$57.67/sq.ft.)	\$405,881** (\$58.64/sq.ft.)	+\$68,251** (\$.97/sq.ft.)
Cancellation	None	County after 5 years with 60 days notice	Same
Parking (included)	24 spaces	28 spaces	+4 spaces
Option to Renew	One five-year option	Exercise 5 year option	No remaining options
Rental Adjustment	Automatic 2 percent increases per year	Consumer Price Index (CPI) increases capped at 3 percent, no floor.	-2 percent auto increase; CPI with 3 percent cap

* New Lease comprised of 6,921 square feet of office space at new rate of \$3.60/sq.ft. monthly.

** \$449,865 represents the maximum amount of reimbursable TI funds available for the project. If this entire amount is expended and amortized over 60 months at the rate of 7 percent, the annual TI reimbursement amount will be \$106,894 (\$1.29/\$15.44 per sq. ft. per month/annually). Amount includes annual base rent and annual reimbursement of Additional TI allowance.

**DEPARTMENT OF MENTAL HEALTH
SPACE SEARCH - 5-MILE RADIUS OF 1224 NORTH VINE STREET, HOLLYWOOD**

LACO	FACILITY NAME	ADDRESS	SQFT GROSS	SQFT NET	STATUS	SQFT AVAILABLE
X014	PH-BURBANK PUBLIC HEALTH CENTER	1101 W MAGNOLIA BLVD, BURBANK 91502	5864	3640	OWNED	NONE
5465	PUBLIC LIBRARY-NEW WEST HOLLYWOOD LIBRARY	625 N SAN VICENTE BLVD, WEST HOLLYWOOD 90069	32000	30400	GRATIS USE	NONE
3969	HOLLYWOOD BOWL-ADMINISTRATION BUILDING	2301 N HIGHLAND AVE, HOLLYWOOD 90068	5137	4369	OWNED	NONE
A140	DMH-HOLLYWOOD FSP	947 COLE AVE, LOS ANGELES 90038	6500	6175	LEASED	NONE
B393	HOLLYWOOD COURTHOUSE	5925 HOLLYWOOD BLVD, HOLLYWOOD 90028	61571	26151	STATE	NONE
5461	PH-HOLLYWOOD/WILSHIRE PUBLIC HEALTH CENTER	5205 MELROSE AVE, LOS ANGELES 90038	27578	14811	OWNED	NONE
A674	DMH-HOLLYWOOD WELLNESS CENTER	5000 W SUNSET BLVD, LOS ANGELES 90027	5588	5309	LEASED	NONE
5421	BEVERLY HILLS COURTHOUSE (CLOSED)	9355 BURTON WAY, BEVERLY HILLS 90210	80567	47608	STATE	47608
A673	DCFS-WEST LOS ANGELES (SPA 5) & WLA-MCMS	5757 WILSHIRE BLVD, LOS ANGELES 90036	35548	29923	LEASED	NONE
A532	PH HEALTH-WILSHIRE METROPLEX BUILDING	3530 WILSHIRE BLVD, LOS ANGELES 90010	113027	101920	LEASED	NONE
A424	DPSS-EQUITABLE PLAZA BUILDING	3435 WILSHIRE BLVD, LOS ANGELES 90010	65871	62577	LEASED	NONE
A578	AUDITOR - SHARED SERVICES INITIATIVE	3470 WILSHIRE BLVD, LOS ANGELES 90010	21500	20425	LEASED	NONE
Y193	PARKS & RECREATION-HEADQUARTERS BUILDING	433 S VERMONT AVE, LOS ANGELES 90020	31862	21777	OWNED	NONE
X317	DCSS-LE SAGE COMPLEX 4 STORY BUILDING	3175 W 6TH ST, LOS ANGELES 90020	52230	42341	OWNED	NONE
X510	PARKS & REC-LE SAGE COMPLEX 2 STORY BUILDING	510 S VERMONT AVE, LOS ANGELES 90020	31540	24835	OWNED	NONE
X532	DCSS-LE SAGE COMPLEX 1 STORY BLDG(RED-TAGGED)	532 S VERMONT AVE, LOS ANGELES 90020	27179	10314	OWNED	NONE
X550	MENTAL HEALTH-LE SAGE COMPLEX TOWER	550 S VERMONT AVE, LOS ANGELES 90020-1991	171651	149668	OWNED	NONE
A336	SHERIFF-WILSHIRE CENTRE BUILDING	3055 WILSHIRE BLVD, LOS ANGELES 90010	7755	7115	LEASED	NONE
A369	DCFS-HEADQUARTERS ANNEX	501 SHATTO PL, LOS ANGELES 90020	17751	15976	LEASED	NONE
A413	HUMAN RESOURCES-WILSHIRE SQUARE TWO BUILDING	3333 WILSHIRE BLVD, LOS ANGELES 90010-4109	85992	72804	LEASED	NONE
A425	DCFS-HEADQUARTERS BUILDING	425 SHATTO PL, LOS ANGELES 90020	81912	77816	LEASED	NONE
B695	PH-IMMUNIZ&ENVIR HLTH/MENTAL HEALTH	695 S VERMONT AVE, LOS ANGELES 90010	109845	103617	LEASED	NONE
B500	DHS-WORKFORCE DEVELOPMENT PROGRAM	500 S VIRGIL AVE, LOS ANGELES 90020	8000	7200	PERMIT	NONE
A600	CENTRAL CIVIL WEST COURTHOUSE	600 S COMMONWEALTH AVE, LOS ANGELES 90005	281988	237432	LEASED	NONE
A360	DPSS-METRO NORTH AP/ CALWORKS DISTRICT OFFICE	2601 WILSHIRE BLVD, LOS ANGELES 90057	62000	60140	LEASED	NONE
B922	DPSS-WILSHIRE SPECIAL DISTRICT OFFICE	2415 W 6TH ST, LOS ANGELES 90057	46228	42065	LEASED	NONE
A405	BOS/ARTS COMMISSION-WILSHIRE-BIXEL BUILDING	1055 WILSHIRE BLVD SUITE 800, LOS ANGELES 90017	7873	7479	LEASED	NONE

FACILITY LOCATION POLICY ANALYSIS
February 10, 2015

Proposed lease renewal: Seven-year lease amendment for the Department of Mental Health – 5000 West Sunset Boulevard, Los Angeles – 3rd District . There is a County cancellation right after five years.

A. Establish Service Function Category – Regional and local public service function.

B. Determination of the Service Area –The proposed lease renewal will allow DMH to continue to provide a comprehensive full-service Wellness Center satellite centrally located to this specific service area.

C. Apply Location Selection Criteria to Service Area Data

- Need for proximity to service area and population: DMH programs are most effective when located in the same geographic area as its consumers, providers and stakeholders. This location meets the service area criteria and remains in the desired area.
- Need for proximity to existing County facilities: It is DMH's desire to collaborate with County Department partners, such as the Department of Public Social Services, and Children and Family Services whenever possible. The subject facility is located within five miles of offices housing Department of Mental Health clinic, Department of Children and Family Services, Public Social Services and Community and Senior Services.
- Need for proximity to Los Angeles Civic Center: N/A
- Economic Development Potential: N/A
- Proximity to public transportation: The location is adequately served by local transit services.
- Availability of affordable housing for County employees: The surrounding area provides for affordable housing and rental opportunities.
- Use of historic buildings: N/A
- Availability and compatibility of existing buildings: There are no existing County buildings available to meet the Department's service needs.

- Compatibility with local land use plans: The Department of Public Works inspected the facility and found it suitable for County occupancy. Notification letters have been sent pursuant to Government Code Sections 25351 and 65402.
- Estimated acquisition/construction and ongoing operational costs: The initial maximum annual rent is \$405,881. Rental costs are 100 percent funded by State and federal funding sources.

D. Analyze results and identify location alternatives

Based upon the space and service needs of DMH, staff surveyed the immediate area to determine the availability of comparable and more economical site alternatives. Based on a survey of the area, staff established that no viable or suitable alternatives to the existing location were available. The annual rental range for similar office space is up to \$54 per square foot on a full-service gross basis, excluding parking. Therefore, the proposed annual rent of \$43.20, including parking, is within market and supports the lease renewal at this location.

E. Determine benefits and drawbacks of each alternative based upon functional needs, service area, cost and other Location Selection Criteria

The renewal of the subject lease amendment for DMH will provide adequate satellite Wellness Center space for its employees and efficient space for on-site service to clients, which is consistent with the County's Facility Location Policy adopted by the Board on July 24, 2012. The cost of comparable sites was higher per square foot and the sites would require tenant improvements that would drive the rent up further.

FIRST AMENDMENT TO LEASE AGREEMENT

THIS FIRST AMENDMENT TO LEASE AGREEMENT (this "Agreement") is made as of this 17th day of October, 2014, by and between **5000 SUNSET, LLC** having an office at 910 Broadway, Suite #110, Santa Monica, CA 90401 (the "Landlord") and **COUNTY OF LOS ANGELES** (the "Tenant").

RECITALS:

WHEREAS, Landlord and Tenant entered into that certain lease agreement dated October 30, 2007 for certain premises currently known as 5000 Sunset Blvd, Suite 600, Los Angeles, CA 90027, comprised of approximately 5,588 square feet (the "Original Premises"), said lease and prior amendments and modifications being collectively referred to herein as the "Lease");

WHEREAS, the term of the Lease expired on June 30, 2013; and

WHEREAS, the parties hereto desire to extend the term of the Lease and modify and amend the Lease as hereinafter provided.

NOW, THEREFORE, for and in consideration of the mutual covenants and provisions contained herein and other good and valuable consideration, the adequacy and receipt of which are hereby acknowledged, Landlord and Tenant hereby agree as follows:

AGREEMENT:

1. **EXPANSION.** Landlord and Tenant desire to and hereby do expand the Original Premises to include additional premises currently known as Suite #610 comprised of approximately 1,333 rentable square feet (the "Expansion Premises"). The Original Premises and Expansion Premises shall collectively be referred to as the "Premises."
2. **TERM.** The term for the Expansion Premises and the extended term for the Original Premises shall be eighty four (84) months commencing on the Commencement Date and expiring on the Expiration Date (the "Term").
3. **COMMENCEMENT DATE.** The Commencement Date shall mean the date that Landlord has completed all of Landlord's Work to the Expansion Premises and any modifications to the Original Premises.
4. **EXPIRATION DATE.** The Expiration Date shall mean the date that is eighty four (84) months after the Commencement Date.
5. **BASE RENT.** Tenant shall pay to Landlord during the first year of the Term, Base Rent in the amount of *Twenty Four Thousand Nine Hundred Fifteen and 60/100 Dollars (\$24,915.60)*, without any off-set or deduction, prior notice or demand, which shall be payable on the first (1st) day of each calendar month. Tenant shall continue to pay the existing Base Rent for the Original Premises pursuant to the original Lease until the Commencement Date.
6. **ANNUAL INCREASES.** If the Consumer Price Index ("CPI") on any Adjustment Date (which shall mean the first day of the month every year in which the anniversary of the Commencement Date falls) shall be greater than the CPI in effect on the Commencement Date, the Base Rent shall be adjusted, upwards only, by adding an amount ("CPI Escalation Amount") equal to the product obtained by multiplying the Base Rent by the increase in the CPI from the Commencement Date through the Adjustment Date. For purposes hereof, the CPI in effect on the Commencement Date and on any Adjustment Date shall be determined on the basis of the CPI for the second calendar month preceding the months in which the Commencement Date and Adjustment Date fall. The CPI shall mean the Consumer Price Index for All Urban Consumers, All Items, Los Angeles-Anaheim-Riverside County, CA 1982-84=100, published by the United States Department of Labor, Bureau of Labor Statistics ("Bureau"). If

such index is discontinued or revised, Landlord shall substitute a comparable index which shall produce a result which is comparable to the result which would have been produced had such index not been discontinued. In no event shall the monthly Base Rent adjustment based upon the CPI formula result in an annual increase greater than three percent (3%) per year of the Base Rent.

7. **CONDITION OF PREMISES.** Prior to the Commencement Date, Landlord shall complete Landlord's Work. Landlord, within a commercially reasonable period of time after Landlord's approval of the plans and specifications for the Improvements (as defined herein), shall commence and complete work on the Improvements and shall pay for the costs of the same up to a maximum cost of the Base and Tenant Improvement Allowances. The "Improvements" shall mean, collectively, certain improvements, alterations and/or additions to the Premises to be constructed pursuant to and in accordance with plans and specifications submitted to and approved by Landlord and Tenant; Landlord acknowledges that the Improvements may include, without limitation, the purchase of new furniture, fixtures and equipment for the Premises. The Improvements shall be performed by and under the authority of Landlord, or its authorized agent, and approved by a designated representative of the Chief Executive Office (which approval shall not be unreasonably withheld, conditioned or delayed). For purposes of the Lease the Expansion space shall be in "Ready for Occupancy" condition upon "Substantial Completion of the Expansion space", the latter term defined as occurring upon the completion of construction of those portions of the Improvements in and for the Expansion space, with the exception of any punch list items and any furniture, fixture and equipment.

Any improvements shall be in compliance with all applicable laws, codes, and ordinances, including but not limited to the Americans with Disabilities Act (ADA).

8. **BASE TENANT IMPROVEMENT ALLOWANCE.** The Base Tenant Improvement Allowance (as that term is defined in the Lease) for the Premises shall be One Hundred Three Thousand Eight Hundred Fifteen and 00/100 (\$103,815) for completion of Tenant's build-out of the Premises.
9. **ADDITIONAL TENANT IMPROVEMENT ALLOWANCE.** The Additional Tenant Improvement Allowance (as that term is defined in the Lease) shall be Four Hundred Forty Nine Thousand Eight Hundred Sixty Five and 00/100 Dollars (\$449,865) for completion of Tenant's buildout of the Premises. Tenant may use all, part or none of the Additional Tenant Improvement Allowance.
10. **AMORTIZATION RATE.** The Additional Tenant Improvement Allowance Amortization Rate (as that term is defined in the Lease) shall be seven percent (7%), with payments amortized over the first 60 months of the Term payable by Tenant. Tenant may pay off the balance in full at any time with no prepayment penalty.
11. **EARLY TERMINATION RIGHT.** Tenant shall have the right to terminate this Agreement after the 60th month of the Term provided Tenant provides a 60-day written notice to Landlord, sent via certified mail with return receipt requested.
12. **PARKING.** Tenant shall have four (4) additional parking spaces for the Expansion Premises during the Term. Lessor shall have the right, at any time and in Lessor's sole and absolute discretion, to (a) assign parking spaces (single or tandem) and/or (b) to create and enforce a parking plan.
13. **MISCELLANEOUS.**
- a. Tenant agrees and acknowledges that the Premises remain acceptable for Tenant's use and Tenant acknowledges that neither Landlord nor any broker or agent has made any representations or warranties in connection with the physical condition of the Premises or their fitness for Tenant's use upon which Tenant has relied directly or indirectly for any purpose. Tenant has no broker representation in connection with this Agreement.

- b. Tenant hereby represents and warrants to Landlord that the Lease as amended hereby constitutes a valid and binding obligation of Tenant, enforceable against Tenant in accordance with their terms, and Tenant has no defenses, offsets or counterclaims with respect to its obligations thereunder. Tenant also represents and warrants that there is no existing Default on the part of the Landlord or the Tenant in any of the terms and conditions of the Lease and no event has occurred which, with the passing of time or giving of notice or both, would constitute a Default under the Lease by Landlord or Tenant.
- c. Except as modified by this Agreement, the Lease and all of the covenants, agreements, terms and conditions thereof shall remain in full force and effect and are hereby in all respects ratified and confirmed.
- d. The covenants, agreements, terms and conditions contained in this Agreement shall bind and inure to the benefit of the parties hereto and their respective successors and assigns.
- e. The Lease, as modified by this Agreement, contains the entire agreement between the parties. The Lease may be amended only by a written instrument signed by and delivered to all of the parties.
- f. This Agreement may be executed in any number of counterparts, all of which together shall be deemed to constitute one instrument, and each of which shall be deemed an original. Further, a faxed or imaged copy of signature(s) shall hereby be deemed to be an original.
- g. Initially capitalized terms not otherwise defined herein shall have the meanings ascribed to them in the Lease.

IN WITNESS WHEREOF, this Lease has been executed this Amendment as of the date first written above.

LANDLORD:

5000 SUNSET, LLC

Signature:

Farhad Abolfathi

Authorized Agent for Landlord

TENANT:



COUNTY OF LOS ANGELES

a body politic and corporate

By:

Mike Antonovich

MICHAEL D. ANTONOVICH

Mayor, Board of Supervisors

ATTEST:

Patrick Ogawa
Acting Executive Officer-Clerk
Of the Board of Supervisors

I hereby certify that pursuant to
Section 25103 of the Government Code,
delivery of this document has been made.

By:

Antal
Deputy

FEB 17 2015

PATRICK OGAWA
Acting Executive Officer
Clerk of the Board of Supervisors

By:

Antal
Deputy

APPROVED AS TO FORM:

Mark J. Saladino
County Counsel

By:

Mark J. Saladino
Deputy

ADOPTED
BOARD OF SUPERVISORS
COUNTY OF LOS ANGELES

10

FEB 17 2015

Patrick Ogawa
PATRICK OGAWA
ACTING EXECUTIVE OFFICER

